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RECORDING REQUESTED BY

The Burlington Northern and
Santa Fe Railway Company
c/o Landels, Ripley & Diamond, LLP
350 The Embarcadero-6th Floor
San Francisco, California 94105-1250
Attention: Robert L. Hines, Esq.

WHEN RECORDED MAIL TO

The Burlington Northern and
Santa Fe Railway Company
c/o Landels, Ripley & Diamond, LLP
350 The Embarcadero-6th Floor
San Francisco, California 94105-1250
Attention: Robert L. Hines, Esq.

COPY of Document Recorded

SEP 14 1998

Has not been compared with original.

Original will be returned when
processing has been completed.

LOS ANGELES COUNTY REGISTRAR RECORDER/COUNTY CLERK

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

COVENANT REGARDING AND TO LIMIT USE OF REAL PROPERTY
ENVIRONMENTAL RESTRICTION

This Covenant Regarding and to Limit Use of Real Property ("Covenant") is made on this 21st day of August, 1998, by THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY, a Delaware corporation, and its successors and assigns (hereinafter "the Covenantor" or "BNSF"), who is the current owner of the subject property to be restricted herein, and the CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY, DEPARTMENT OF TOXIC SUBSTANCES CONTROL (hereinafter "DTSC" or the "Covenantee"), a public agency of the State of California.

RECITALS

A. Covenantor is the owner of that certain real property located in the County of Los Angeles, State of California described on Exhibit "A" attached hereto and commonly known as 3677 Bandini Boulevard, City of Vernon, County of Los Angeles, California, 90023-4593, APN 5192-029-019 (the "Property").

B. DTSC is the administering agency designated to oversee site remediation and remedial action pursuant to the California Expedited Remedial Action Program under California Health and Safety Code §25395, et seq. Pursuant to California Health and Safety Code §25398.2(b), Covenantor and DTSC have entered into an

THE INSTRUMENTS FILED FOR RECORDING AT THE AMERICAN TITLE CO. OF L.A. AS AN ACCOMMODATION ONLY IT HAS NOT BEEN EXAMINED AS TO ITS EXECUTION OR AS TO ITS EFFECT UPON TITLE.

Expedited Remedial Action Enforceable Agreement dated June 24, 1996 pertaining to the Property (the "Enforceable Agreement"). This Covenant is entered into pursuant to the Enforceable Agreement.

C. In accordance with the certificate of completion issued pursuant to the Enforceable Agreement, Covenantor has completed environmental response actions on and in connection with the Property. Such actions include, but are not limited to, preparation of a Remedial Action Plan ("RAP"), which has been approved by DTSC, and the implementation of response actions pursuant to the RAP which allow the Property to be used without any significant risk to human health or any significant potential for future environmental damage and which includes the construction of an asphalt cap over the Property. The RAP includes requirements for operation and maintenance of the Site which are deemed incorporated in this Covenant.

D. Except for the performance of continuing operation and maintenance obligations for the Property, Covenantor has fully implemented the RAP as approved by DTSC. A certificate of completion is being issued by DTSC concurrently with this Covenant.

E. Except as provided in California Health and Safety Code §§ 25264 and 25265, the issuance by DTSC of the certificate of completion constitutes a determination that Covenantor has complied with the requirements of all state and local laws, ordinances, regulations and standards that are applicable to the site investigation and remedial action for which the certificate is issued. No agency that has jurisdiction over hazardous materials releases may take action against the Covenantor with respect to the hazardous materials release that was the subject of the site investigation and remedial action unless one of the conditions in California Health and Safety Code §§ 25264(c)(1)-(6) apply.

F. Pursuant to California Civil Code §1471(c), DTSC has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the Property of hazardous materials as defined in Health and Safety Code §25260.

ARTICLE 1

GENERAL PROVISIONS

1. Limitations to Run With the Land. This Covenant sets forth protective provisions, covenants, limitations on use, and conditions, (collectively referred to as "Limitations"), upon the Property and subject to which the Property shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and all of the Limitations shall run with the land and shall inure to the benefit of and pass with each and every portion of the Property, and shall apply to and bind the respective successors in interest thereof. Each and all of the Limitations are imposed upon the entire Property. Each and all of the Limitations are imposed, and run with the land pursuant to Health and Safety Code §§ 25398.7, 25396(1) and Civil Code §1471. Each and all of the Limitations are for the benefit of, and enforceable by DTSC and its successor agencies, if any.

2. Concurrence of Owners Presumed. All purchasers, lessees, or possessors of the Property shall be deemed by their purchase, leasing, or possession of such Property, to be in accord with the foregoing and to unconditionally agree for and among themselves, their heirs, successors and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Limitations as herein established must be adhered to for the benefit of future Owners and Occupants, and that their interests in the Property will be subject to the Limitations contained herein. Pursuant to Civil Code §1471(b), all successive owners of the land are expressly bound hereby for the benefit of the covenantee(s) herein.

3. Incorporation Into Deeds and Leases. Covenantor desires and covenants, and all purchasers, lessees or possessors shall be deemed to have covenanted, that the Limitations set out herein shall be incorporated by reference in each and all deeds and leases of the Property.

ARTICLE II

DEFINITIONS

4. DTSC. "DTSC" shall mean the California Department of Toxic Substances Control and shall include its successor agencies, if any.

5. Improvements. "Improvements" shall mean all buildings, roads, driveways, regrading, and paved parking areas, constructed or placed upon any portion of the Property.

6. Occupants. "Occupants" shall mean those persons entitled by ownership, leasehold, or other legal relationship to the exclusive right to occupy any portion of the Property.

7. Owner. "Owner" shall mean the Covenantor, its successors in interest, and their successors in interest, including heirs, and assigns, who at any time hold title to all or any portion of the Property.

ARTICLE III

LIMITATIONS

8. Limitations on Use. Covenantor agrees to limit the use of the Property as follows:

(a) The asphalt cap over the entire Property shall not be disturbed, removed or altered.

(b) The Covenantor and any subsequent owner shall perform operation and maintenance of the asphalt cap as is required by the RAP for the property. Covenantor and any subsequent owner shall conduct periodic inspections of the asphalt cap which shall occur at least annually. The inspections shall include a visual inspection of cracks, vegetation growth, or other surface

features that could enhance surface water infiltration of the asphalt cap. A report of each inspection shall be made available to DTSC upon its request. The report shall indicate whether corrective action is necessary and warranted, the action which should be performed, such as applying sealant, and whether the corrective action has been or is being undertaken. Covenantor and any subsequent owner shall provide notice to DTSC within 30 calendar days of discovery of a breach in the asphalt cap. For purposes of this paragraph, "asphalt cap" shall mean the remedy set forth in the approved Engineering Design report for the Property, and shall include at a minimum the asphalt surface and the subsurface base rock/gravel pack; and, "breach" shall mean a condition whereby the cap will no longer contain subsurface hazardous materials and that as a result, there exists a current threat to human health and the environment.

9. Enforcement. Failure of an Owner to comply with any of the requirements set forth in Paragraph 8, shall be grounds for DTSC to be entitled to entry of a court order that requires the Owner to modify or remove any Improvements constructed in violation of that paragraph. Violation of the Covenant shall be grounds for DTSC to file any action against the Owner as provided by law.

ARTICLE IV

MODIFICATION AND TERMINATION

10. Modification. Any Owner or, subject to the prior written consent of the Owner, any Occupant of the Property may apply to DTSC for a written modification from the provisions of this Covenant. Such application shall be made in accordance with Health and Safety Code §25398.7(c).

11. Termination. Any Owner or, subject to the prior written consent of the Owner, an Occupant of the Property or a portion thereof may apply to DTSC for a termination of the Limitations as they apply to all or any portion of the Property.

Such application shall be made in accordance with Health and Safety Code § 25398.7(c).

12. Term. Unless terminated in accordance with paragraph 11 above, by law or otherwise, this Covenant shall continue in effect in perpetuity.

ARTICLE V

COVENANT NOT TO SUE

13. Covenant Not to Sue. DTSC irrevocably and unconditionally (except as provided in the Enforceable Agreement) covenants not to sue, not to execute judgment, nor to take any civil, judicial or administrative action, nor to establish any lien against, nor to pursue any claim, enter any order or make any demand against BNSF, or its heirs, successors or assigns, for claims pursuant to Section 107 of the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9607; Section 7003 of the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Section 6973; or chapters 6.5 (commencing with § 25100) and 6.8 (commencing with § 25301), division 20 of the California Health and Safety Code, or pursuant to other applicable laws, regulations or civil, judicial or administrative authorities, for performance of response actions or recovery of response costs related to the property pursuant to the federal CERCLA (42 U.S.C. § 9601, et seq.). This Covenant Not to Sue is expressly conditioned on full and complete compliance by BNSF and its heirs, successors and assigns with all obligations, orders and requirements under Chapters 6.65 and 6.85 of Division 20 of the California Health and Safety Code (California Health and Safety Code §§ 25260 and 25396, et seq.), the regulations promulgated thereunder, and the complete and timely performance of all of the terms of the Enforceable Agreement. For purposes of this Covenant Not to Sue, full and complete compliance may be demonstrated by: (I) the above referenced certificate of completion issued pursuant to the

Enforceable Agreement (and consistent with Health and Safety Code §§ 25260 et seq. and 25396 et seq.), and (ii) a report of periodic inspection of the asphalt cap covering the Property performed by BNSF, a consultant designated by BNSF, or a subsequent transferee of the Property, pursuant to applicable operation and maintenance requirements contained in the approved RAP. With respect to item (ii) above, and consistent with the RAP, the scope of such periodic inspection shall include visual inspection of cracks, vegetation growth, or other surface features that would appear to enhance surface water infiltration. Such report of periodic inspection shall indicate whether corrective action as necessary and warranted under the RAP, such as applying sealant, has been or is being undertaken. And further, corrective action, as necessary and warranted under the RAP and as indicated in the report of periodic inspection, must be undertaken to demonstrate full and complete compliance. This Covenant Not to Sue shall not apply to natural resource damage claims filed pursuant to subdivision (f) of Section 107 of CERCLA, 42 U.S.C. § 9607(f).

ARTICLE VI

MISCELLANEOUS

14. No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property to the general public or for any purposes whatsoever.

15. Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (1) when delivered, if personally delivered to the person being served or to an office of a corporate party being served, or (2) three business days after deposit in the mail if mailed by United States mail, postage paid, certified, return receipt requested:

To: "Covenantor"

The Burlington Northern and Santa Fe Railway
Company
Assistant Vice President
Property Management
P.O. Box 961050
Fort Worth, TX 76131-2830

To: "DTSC"

Department of Toxic Substances Control
Attention: James L. Tjosvold, Chief
Northern California-Central
Cleanup Operations Branch
10151 Croydon Way Suite 3
Sacramento, California 95827

16. Partial Invalidity. If any portion of the Limitations or terms set forth herein are determined to be invalid for any reason, the remaining portions shall remain in full force and effect as if such portion had not been included herein.

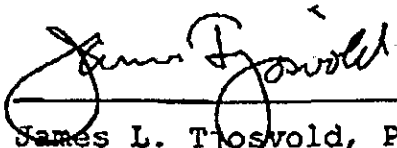
17. Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of this Covenant.

18. Recordation. This instrument shall be executed by the Covenantor, and by the California Department of Toxic Substances Control. This instrument shall be recorded by the Covenantor in the County of Los Angeles within fifteen (15) days after the date of execution by both parties.

19. References. All references to Code sections include successor provisions.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date first set forth above.

DTSC:



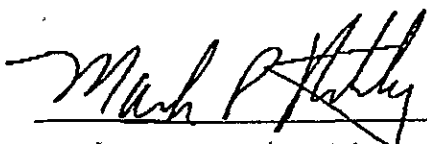
James L. Tjosvold, P.E., Chief
Northern California-Central
Cleanup Operations Branch
Department of Toxic Substances Control

8/21/98

Date

Covenantor:

The Burlington Northern and Santa Fe Railway Company, a Delaware corporation,



Mark Stehly, Assistant Vice President
Environmental/Hazardous Materials
The Burlington Northern and Santa Fe
Railway Company
2600 Lou Menk Drive
Fort Worth, Texas 76131

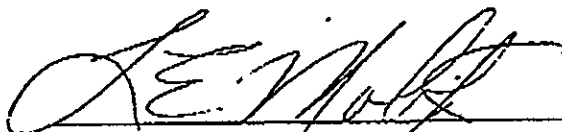
Sept 1, 1998

Date

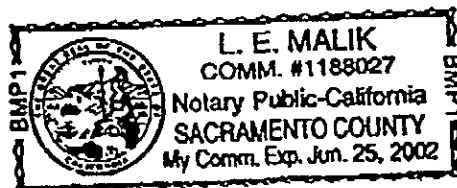
STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

On the 21st day of August, 1998 before me, the undersigned, a Notary Public in and for said State, personally appeared James L. Tjosvold, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Notary Public



STATE OF TEXAS)
) ss.
COUNTY OF)

On the 1st day of September, 1998 before me, the undersigned, a Notary Public in and for said State, personally appeared Mark P. Stehly, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Pearl M. Grant
Notary Public

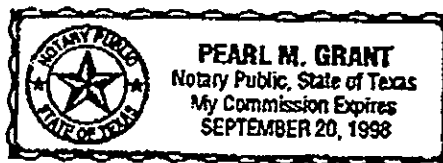


EXHIBIT A

Legal Description of the Site is:

Parcel 2 of Parcel Map No. 16014, in the City of Vernon, County of Los Angeles, State of California, as per map filed in Book 168 pages 80 and 81 of Parcel Maps, in the office of the County Recorder of said county.